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TODAY

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We're developing an overall applications process — for granting charters, for insurance of accounts, for mergers, or for whatever — that is efficient and responsive.

M. Danny Wall, chairman of the Federal Home Loan Bank Board, commenting on delays that have frustrated thrift executives [Page 1]

Unquote

Law Requires Timely Action By Bank Board

Guidelines for Processing Paperwork Due in 60 Days

By JIM McTAGUE
Washington Bureau

WASHINGTON — The Federal Home Loan Bank Board often has moved so slowly and unpredictably on paperwork that thrift executives seeking regulatory approvals thought the agency was caught in a time warp.

the Banking Bill what's ahead

"They were slow on fundamental stuff that has been a killer for business," said Patrick Forte, president of the Association of Thrift Holding Companies.

Now Congress has given the Bank Board notice that it must return to the present.

A provision of the Competitive

Law: Page 16 ➳

Reagan Signs Bank Bill But Balks at Its Terms

Washington Bureau

WASHINGTON — President Reagan on Monday signed into law the Competitive Equality Banking Act of 1987, but he criticized numerous provisions of the legislation and urged Congress to pass more comprehensive financial reform.

The legislation provides $10.8 billion for recapitalization of the Federal Savings and Loan Insurance Corp., sets a moratorium on new powers for commercial banks until March 1, closes the nonbank-bank loophole, and requires

Reagan: Page 2 ➳

MasterCard Will Pay Bonuses To Banks that Boost Business

By JEFFREY KUTLER

CHICAGO — MasterCard International is trying to spur credit card and travelers check growth and increase its market share by offering millions of dollars in financial rewards to member banks.

Credit Cards

In the most comprehensive incentive pricing system ever instituted by a bank card association, MasterCard said it will give its most productive members a portion of the new revenue they generate during the next two years.

To be eligible for the rebates, a financial institution must increase its credit card volume by more than 10% a year.

MasterCard to Spend on Social Issues
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Many MasterCard banks would have qualified for rebates if the incentive program were in place last year, when worldwide MasterCard volume grew 24.6%.

A bank that increases its MasterCard sales this year by 15%, to $100 million from $85 million, will get a rebate of between $1,900 and $6,600, depending on its size — a relative drop in the bucket.

But if that bank doubled its MasterCard volume, to $100 million from $50 million, the rebate would climb to between $25,200 and $87,300. This would be a significant reduction in the $95,000 fee that a $100 million bank

MasterCard: Page 15 ➳

Citicorp Dropping Choice Credit Card And Will Merge It into Visa Progam

Special to the American Banker

BALTIMORE — Citicorp has given up on its private credit card, called Choice, and will give customers Visa cards instead.

Some three million consumers with Choice cards will be able to use them at any of 5.5 million retailing locations around the world that take Visa cards — a far wider acceptability than Citicorp was able to achieve on its own.

The seven-year-old Choice card was envisioned as a multipurpose financial services card with a credit line and additional loan, deposit, and investment services.

It competed directly against MasterCard and Visa services, which Citicorp also offers, in several parts of the country. Some card industry analysts saw it as a potential competitor of Sears, Roebuck and Co.'s Discover card.

"Unlike most things Citicorp tries, this one did not work," said Spencer Nilson, publisher of *The Nilson Report*, a newsletter covering the nation's credit card industry. "It was a good try, but they found out that there is not much demand for a financial services card. Citicorp is now admitting the card wasn't a valid proposition."

From its headquarters in Towson, Md., Choice has been mailing letters to merchants saying that, as of Sept. 1, any purchase made with the Choice card should be treated as a Visa purchase. This means that all Choice charges may be sent to the same bank that processes the merchant's Visa transactions.

Citicorp: Page 14 ➳

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